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INSTITUTIONAL AND BUDGETARY MATTERS

UPDATE ON IMPLEMENTATION OF DECISIONS 14/CP.1, 15/CP.1, 17/CP.1 AND 18/CP.1 OF THE CONFERENCE OF THE PARTIES

Implementation of decision 14/CP.1 on the institutional linkage of the Convention secretariat to the United Nations and budget-related matters

Note by the Executive Secretary

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I. INTRODUCTION

A. Mandate

1. Decision 14/CP.1* of the Conference of the Parties (COP), adopted at its first session, considers, *inter alia*, issues related to the institutional linkage of the Convention secretariat to the United Nations, the financing of conference-servicing costs, the arrangements for the provision of administrative support and the appointment of the head of the secretariat. These issues were further considered at the first session of the Subsidiary Body for Implementation (SBI), whose conclusions are contained in document FCCC/SBI/1995/5, paragraph 29.

B. Scope of the note

2. The present note provides a brief update on issues related to the institutional linkage of the Convention secretariat to the United Nations and the functioning of the Convention secretariat. The note refers to relevant elements of General Assembly resolution 50/115 of December 1995, entitled "Protection of the global climate for present and future generations of mankind", in particular those elements relating to administrative support for the Convention secretariat from the United Nations Secretariat and the financing from the regular programme budget of the United Nations of the conference-servicing costs arising from sessions of the COP and its subsidiary bodies. The note also reviews the budgetary situation for 1996 and reports on the status of payments to the trust funds of the Convention.

3. A final report on the two extrabudgetary funds established by General Assembly resolution 45/212, paragraphs 10 and 20, will be presented to COP 2.

C. Possible action by the Subsidiary Body for Implementation

4. The SBI may wish to take note of the information provided in this note. The SBI may also wish to encourage Parties with outstanding contributions to the core administrative budget to pay promptly and in full these contributions, which were due on 1 January 1996, and to encourage all Parties to help meet other voluntary funding needs for that year.

II. IMPLEMENTATION OF DECISION 14/CP.1

A. Institutional linkage of the Convention secretariat to the United Nations

5. The COP, at its first session, by its decision 14/CP.1, decided that the Convention secretariat would be institutionally linked to the United Nations, "while not being fully integrated in the work programme and management structure of any particular department or

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* For decisions adopted by the Conference of the Parties at its first session, see document FCCC/CP/1995/7/Add.1.

programme". The COP decided further to review the functioning of the institutional linkage referred to in paragraph 2 of decision 14/CP.1 not later than 31 December 1999, in consultation with the Secretary-General, with a view to making such modifications as may be considered desirable by both parties.

6. This linkage was endorsed by the General Assembly in operative paragraph 2 of its resolution 50/115. In the same resolution, the General Assembly requested the Secretary-General to review the functioning of this institutional linkage not later than 31 December 1999, in consultation with the COP, with a view to making such modifications as may be considered desirable by both parties and to report thereon to the General Assembly.

7. The General Assembly also requested that additional reviews be carried out that could have a bearing on the institutional linkage and financing arrangements. First, the General Assembly requested the Secretary-General to review the financing arrangements relating to the transitional arrangement for administrative support to the Convention secretariat (see paragraph 11 below) and to the provision of conference servicing (see paragraph 18 below) towards the end of the biennium 1996-1997 and to report upon the results of this review to the Assembly at its fifty-second session (in 1997). Second, the General Assembly requested the Secretary-General to report to the fifty-first session (in 1996) on the implementation of the resolution.

B. Convention secretariat

8. The transition from interim secretariat to Convention secretariat took place on 1 January 1996.

9. Following the request by the COP to the Secretary-General, contained in decision 14/CP.1, the Secretary-General, after consultation with the COP through its Bureau, has appointed the head of the Convention secretariat, with the title of Executive Secretary and at the level of Assistant Secretary-General, for a two-year term of office starting on 1 January 1996. The two-year term reflects the decision of the COP to review the level of this post at its third session (decision 14/CP.1, para. 8).

C. Arrangements for administrative support

10. At its first session, the SBI took note of the information provided by the Executive Secretary in response to decision 14/CP.1, paragraph 2, with respect to the allocation of the overhead charge on the Convention budget, and invited him to pursue to a satisfactory conclusion his discussions on this matter with the United Nations Department of Administration and Management on the basis indicated by him and taking into account the additional administrative staffing needs resulting from the relocation of the Convention secretariat to Bonn (FCCC/SBI/1995/5, paragraph 29 (e)).

11. Following consultations on this matter and taking into account the related conclusion of the SBI, the Secretary-General proposed to institute a transitional arrangement for administrative support to the Convention secretariat for the first two years of its existence,

namely, from 1 January 1996 to 31 December 1997 (General Assembly document A/50/716). During this period, a programme support charge of 13 per cent will be levied on the funds of the Convention, as indicated in the note by the Secretary-General of 5 April 1995 (FCCC/CP/1995/5/Add.4, annex, appendix) and provided for in the approved Convention budget. Drawing on the proceeds of this charge, the United Nations Secretariat, through the Department of Administration and Management, will provide full administrative support services to the Convention secretariat, including administrative staff. The services provided will evolve to cover the administrative needs resulting from the decentralized functioning of the Convention secretariat at Bonn.

12. The Secretary-General further proposed that, once this transitional arrangement is in operation, a review be undertaken by the Department of Administration and Management and the Convention secretariat to ascertain the way in which administrative functions could best be shared on a long-term basis between the central United Nations services and the Convention secretariat at Bonn. This review should also assess the adequacy of the programme support charge in relation to the costs of the administrative services provided by the United Nations to the Convention secretariat. The findings of the review would be reported to the General Assembly and to the COP in 1997 and reflected in the proposed Convention budget for 1998-1999.

13. The General Assembly, in resolution 50/115, took note of this transitional arrangement for administrative support, with particular reference to the implications arising from the report of the COP on its first session, which should facilitate the relocation of the secretariat and assist it in addressing any initial financial and personnel problems that may be encountered in this context. Subsequently, the arrangements proposed by the Secretary-General have been put into effect.

14. As noted in paragraph 7 above, the General Assembly, by its resolution 50/115, requested the Secretary-General to report on this and related matters at its fifty-first (in 1996) and fifty-second (in 1997) sessions, and again, but not later than, at its fifty-fourth session (in 1999).

15. As indicated in the note verbale of 1 November 1995 from the Executive Secretary to the Permanent Missions to the United Nations, as a result of the agreement of the United Nations Secretariat, through the Department of Administration and Management, to provide the Convention secretariat with full administrative support services, the cost of three positions for administrative staff has been deducted from the Convention budget for 1996. Including overheads, this results in a saving of US$400,000 to the Convention budget in 1996.

D. Conference services

16. The COP, by its decision 14/CP.1, requested the General Assembly, bearing in mind the institutional linkage of the Convention secretariat to the United Nations and the large number of States that are Parties to the Convention, to decide to finance from the regular programme budget of the United Nations the conference-servicing costs arising from sessions

of the COP and its subsidiary bodies for the duration of the institutional linkage approved in paragraph 2 of the decision.

17. The SBI, at its first session, recommended, in view of the workload arising from the decisions of the COP, that, in addition to the 10 weeks of meeting time during the 1996-1997 biennium envisaged in decisions 15/CP.1 and 17/CP.1, two additional weeks of meeting time in 1997 be requested from the General Assembly at its fiftieth session.

18. By its resolution 50/115, the General Assembly decided to include in the calendar of conferences and meetings for 1996-1997 the sessions of the COP and its subsidiary bodies envisaged for that biennium entailing 12 weeks of conference-servicing facilities. This provision takes account of the above-mentioned recommendation by the SBI. The General Assembly requested the Secretary-General to make the necessary arrangements to include in the calendar of conferences and meetings for the biennium 1998-1999 those sessions of the COP and its subsidiary bodies that the Conference may need to convene in that period.

19. The Fifth Committee noted that the conference-servicing costs of the meetings of the COP and its subsidiary bodies in 1996 are estimated at US$3,522,200 at full cost. The actual amount required under Section 26 E of the proposed United Nations programme budget for 1996-1997, including the need for an additional appropriation, will be considered by the General Assembly at its resumed session in 1996 on the basis of revised estimates by the Secretary-General. Such an appropriation would be subject to the guidelines for the use and operation of the contingency fund.

20. As noted in paragraph 7 above, the General Assembly, by its resolution 50/115, requested the Secretary-General to report on this and related matters at its fifty-first (in 1996) and fifty-second (in 1997) sessions, and again, but not later than at its fifty-fourth session (in 1999).

III. CONVENTION BUDGET FOR 1996

A. Trust fund for the core budget of the UNFCCC

21. The SBI, at its first session, invited all Parties to the Convention to pay promptly and in full their contributions to the core administrative budget, due on 1 January 1996, and to other voluntary funding needs for that year, taking advantage of any opportunity to make such contributions before the due date.

22. As at 10 February 1996, contributions from 15 Parties had been received by the contributions section of the United Nations (see annex, table 1). The contributions amounted to a total of US$1,174,307, equivalent to approximately 16 per cent of the approved core budget of the UNFCCC for 1996. In addition, the Government of Germany, as host Government, has paid its special contribution to the trust fund for the core budget of the

UNFCCC of US$967,700, which is equivalent to DM1.5 million calculated at the exchange rate of US$1 = DM1.55, quoted in the secretariat's note verbale of 1 November 1995.

23. Parties are encouraged to pay their outstanding contributions. It is recalled that these contributions were due by 1 January 1996.

24. In keeping with decision 17/CP.1, the Executive Secretary will report to COP 2 on income and budget performance, and will propose any adjustment that may be needed in the Convention budget for 1996-1997, taking account of the evolving programme and the relocation to Bonn.

B. Trust fund for participation in the UNFCCC process

25. As at 10 February 1996, the contributions section of the United Nations had received a voluntary contribution to the trust fund for participation in the UNFCCC process of US$44,762.44, made by the Government of Norway. This contribution is acknowledged with gratitude (see annex, table 2).

26. The unspent end-1995 balance in the special voluntary fund for participation in the negotiation process was sufficient to allow the secretariat to offer funding to all eligible Parties for participation in the current sessions of the subsidiary bodies. Allowing for deductions of 15 per cent for the operating reserve and 13 per cent for support costs, the estimated amount of US$1,536,139 is required to fund the participation of two delegates from each eligible Party to participate in COP 2 (or US$1,112,502 if the participation of two delegates from only small island developing countries and least developed countries is funded and one delegate from all other eligible Parties). In addition, the estimated amount of US$786,134 is required to fund the participation of one delegate from each eligible Party to the sessions of the subsidiary bodies in Geneva in late 1996.

27. The receipt of contributions to this fund is of central importance to the participation of developing countries in the negotiation process. Governments are encouraged to contribute generously to the fund. It is hoped that additional contributions will be made, of an adequate and timely nature, to enable the participation of two delegates per eligible Party at COP 2. A further factor of note is the increasing number of eligible Parties.

C. Trust fund for supplementary activities under the UNFCCC

28. As at 10 February 1996, the contributions section of the United Nations had received voluntary contributions to the trust fund for supplementary activities under the UNFCCC amounting to a total of US$36,837.86, made by the Governments of New Zealand and Norway (see annex, table 3). These contributions are acknowledged with gratitude.

29. Discussions are under way concerning payment of the supplementary contribution of DM3.5 million by the Government of Germany, as host Government. The host Government has indicated that for 1996 a certain portion of this amount should be placed in the trust fund for participation in the UNFCCC process.

30. The cost of financing supplementary activities under the UNFCCC has been estimated at US$1,310,000, consistent with decision 18/CP.1 on other voluntary funding for the biennium 1996-1997 (see also FCCC/SBI/1996/4, para. 20).

TRUST FUND FOR THE CORE BUDGET OF THE UNFCCC: STATEMENT OF CONTRIBUTIONS

(United States dollars) a/

Party	Contributions as at 10.02.96	Date of receipt
New Zealand	17 796	24.11.95
Iceland	2 226	5.12.95
Namibia	726	7.12.95
Australia	109 832	14.12.95
China	54 545	19.12.95
Myanmar	726	22.12.95
Sweden	91 094	26.12.95
Slovakia	6 122	28.12.95
Liechtenstein	726	3.1.96
Germany	671 050	5.1.96
Egypt	5 195	23.1.96
Malaysia	10 389	26.1.96
Russian Federation	200 000 b/	8.2.96
Estonia	3 154	8.2.96
Jordan	726	9.2.96
Total	1 174 307	

a/ Information on contributions as at 10 February 1996. All contributions will be subject to a charge of 13 per cent for overheads to determine amounts available for allotment.

b/ Partial payment of contribution.

TRUST FUND FOR PARTICIPATION IN THE UNFCCC PROCESS: STATEMENT OF CONTRIBUTIONS

(United States dollars) a/

Party	Contributions as at 10.02.96	Date of receipt
Norway	44 762.44	22.12.95
Total	44 762.44	

a/ Information on contributions as at 10 February 1996. All contributions are gross. Deductions of up to 15 per cent for operating reserve and of 13 per cent for support costs are applicable to determine amounts available for allotment.

TRUST FUND FOR SUPPLEMENTARY ACTIVITIES UNDER THE UNFCCC PROCESS: STATEMENT OF CONTRIBUTIONS

(United States dollars) a/

Party	Contributions as at 10.02.96	Date of receipt
New Zealand	21 166.34	19.12.95
Norway	15 671.52	27.12.95
Total	36 837.86	

a/ Information on contributions as at 10 February 1996. All contributions are gross. Deductions of up to 15 per cent for operating reserve and of 13 per cent for support costs are applicable to determine amounts available for allotment.